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PROBLEMS AND DANGERS POSED BY ORGANIZED TRANSNATIONAL CRIME IN THE VARIOUS REGIONS OF THE WORLD

Background document

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INTRODUCTION

1. During the last few years, the international community has experienced an increasing number of political upheavals, geopolitical changes and technological restructuring, which have led countries to confront a diversity of challenges for the safety of humanity. No doubt, organized transnational crime, a new dimension of more "traditional" forms of organized crime, has emerged as one of the most alarming of these challenges. Organized transnational crime, with the capacity to expand its activities and to target the security and the economies of countries, in particular developing ones and those in transition, represents one of the major threats that Governments have to deal with in order to ensure their stability, the safety of their people, the preservation of the whole fabric of society and the viability and further development of their economies.

2. Responding adequately to the social, political, and economic problems posed by organized crime requires a clear understanding of their roots, their nature and the probability of success of particular kinds of countervailing efforts. Policy made without such an understanding is both fundamentally flawed and doomed to failure. Without insight there can be no solutions. Accordingly, it is necessary to analyse comprehensively the threat posed by transnational criminal organizations. A threat assessment of this kind has to focus on the steps to be taken to reduce the opportunities available to criminal organizations, to disrupt their operations and indict and punish their operatives, and to limit and if possible remove their profits. Furthermore, any society that aspires to a broad knowledge of organized crime must not underestimate the capabilities of the adversary if it wishes to comprehend and thoroughly evaluate that adversary's strengths and weaknesses.

3. The status of knowledge about organized crime allows key issues to be identified through which all of its features may be investigated. First of all, although there is no single monolithic criminal organization, it is clear that the problem is a global one and that no State or region is immune. Investigations have revealed that the various organizations have different structures, varying criminal emphases and distinct modi operandi but, at the same time, there are increasing linkages and cooperative enterprises among these groups. It is critically important, therefore, that Governments and the public should be made aware of the threat posed by organized crime groups that cross national borders with speed, ease, and a complete disregard for national laws and regulations. Transnational organized crime has developed in ways that pose a serious challenge for Governments and needs to be dealt with as a matter of urgency. The longer the problem is left untreated, the more entrenched and pervasive these groups will become, and the more difficult will it be to disrupt their activities, incarcerate their members and dismantle their organizational structures.

4. Secondly, it would be a grave mistake to underestimate the capabilities of these organizations. Traditionally, organized crime has been seen largely as a law and order problem rather than as something that can threaten the viability of societies, the independence of Governments, the integrity of financial institutions, and the functioning of democracy. The fact that a particular problem has always been conceptualized and understood within certain parameters does not prevent it from taking on new forms that pose a novel and much more formidable challenge. Organized crime has undergone a transformation of this kind and can no longer be understood as simply a local or national phenomenon. The difficulty is that many policy makers tend to focus only on the local or domestic scene and have been slow to recognize the increasingly transnational nature of the problems they are examining. This has happened, for instance, in countries where the rejection of the "alien conspiracy model" of organized crime has led to a preoccupation with local, regional and national aspects rather than the international dimensions of the problem.[1]

5. Thirdly, organized crime groups can vary considerably. While each group has to be understood on its own terms with its own strengths and weaknesses, and not thought of as fitting into a single

model, the study of the problem and the elaboration of policies and strategies should always take into account common characteristics and, more importantly, the links between groups in their operations across borders. A failure to consider these issues may lead to generic countermeasures being drawn up for the use of national and international law enforcement agencies, whereas countermeasures in fact need to be tailored carefully to specific organizational characteristics, to the political, economic and cultural contexts within which groups operate, and to the nature and extent of their operations.

6. A last preliminary remark concerns the reach of transnational organized crime. It is essential to recognize that, in dealing with transnational criminal organizations, criminals must ultimately be sought out in their home base, even though their activities may be geographically very widespread, rather than focusing on specific regions when the real problem is not region specific. This is not to ignore the potential for regional countermeasures as one form of international cooperation to deal with the threat. Regional initiatives provide an important link in a panoply of countermeasures that ideally should encompass local, national, regional, and global levels.

7. The identification and evaluation of policy responses by the international community need to be based on knowledge. An understanding of the opposition and its activities, aims and modus operandi remains crucial to any effort to maintain the rule of law and to promote justice, democracy and peace.

I. KEY CONCEPTS

A. Organized crime

8. The term "organized crime" has long been a source of controversy and contention, probably because of differences in the ways of approaching various features of the problem. A broad consensus has nevertheless emerged on several conditions that have to be met before the term may be considered applicable.

9. Participants in criminal organizations are considered to be persons associated for the purpose of engaging in criminal activity on a more or less sustained basis. They usually engage in enterprise crime, namely the provision of illicit goods and services, or of licit goods that have been acquired through illicit means, such as theft or fraud. Organized crime "represents in virtually every instance an extension of a legitimate market spectrum into areas normally proscribed. Their separate strengths derive from the same fundamental considerations that govern entrepreneurship in the legitimate market place: a necessity to maintain and extend one's share of the market".[2]

10. The activities of organized crime groups require a significant degree of cooperation and organization to provide the illicit goods and services. Like any business, the business of crime requires entrepreneurial skill, considerable specialization, and a capacity for coordination, and this in addition to using violence and corruption to facilitate the conduct of activities. This can range from payoffs to law enforcement officials to the infiltration or co-option of political authorities. Although it has been suggested that, in some instances of organized crime, the use of violence and corruption is not as widespread as it is presumed to be, in other cases it is very much in evidence.*[3] Furthermore, both violence and corruption are tactics that organized crime groups tend to resort to for self-protection, the settlement of disputes and the facilitation of illicit business activities.

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*Some cases of organized crime, however, also involve extensive corruption; see, in this respect, Ethan Nadelmann, Cops Across Borders (University Park, Pennsylvania, Pennsylvania State University Press, 1993), especially pp. 251-312.

11. The experts are also concerned, however, with more controversial issues, such as the size, structure and cohesion of criminal organizations. At one end of the spectrum are those who see organized crime in terms of large hierarchical organizations that are structured rather like traditional corporations. At the other end are those who contend that "for the most part, organized crime groups tend to be loosely structured, flexible, and highly adaptable. In fact ... the real power and effectiveness of organized crime is found in these amorphous qualities. Rather than resembling a formal corporate structure, organized crime more closely resembles a social exchange network in the community".[4] Moreover, it is argued, these groups tend to be relatively small in size, fluid in nature and characterized by considerable opportunism. Rather than being seen in terms of dichotomies between small or large organizations and formal structures or informal networks, however, these dimensions can be best understood in terms of a continuum from small to large and from fluid network organizations to bureaucratic structures. In addition, it is important to consider also the elements of continuity and evolution that characterize organized criminal groups. Moreover, some groups may combine elements of the formal hierarchical structure at certain levels, with a more amorphous fluid network at the lower levels.

12. Size and degree of formal structure provide two dimensions along which groups can be identified and compared, as a preliminary to identifying their strengths and vulnerability and devising appropriate countermeasures by governmental and law enforcement agencies.

13. A third important variation concerns the scope of criminal activities. Some groups are highly specialized and focus upon one kind of activity, such as prostitution or drugs; others engage in a broader range of criminal activities, such as credit card fraud and various financial "scams".

14. The discussion of organized crime has thus far concentrated on the traditional aspects of the subject. There has been, however, a major transformation, whereby what had traditionally been a domestic, local or national problem, was transformed into a major regional and global problem, with pervasive and far-reaching consequences not only for individual States but also for the international community of States.

B. Transnational criminal organizations

15. The term "transnational" is generally used to refer to the movement of information, money, physical objects, people, or other tangible or intangible items across State boundaries, when at least one of the actors involved in this movement is non-governmental.[5] Terrorist groups are similar in nature to many corporations. Criminal organizations are also increasingly engaged in activities that tend to cross national borders.

16. Virtually any tangible item involved in transnational transactions is likely to have a significant economic dimension, in that it can be treated as a commodity or service to which monetary value can be attached.[6] Since the crime industry is about the criminal exploitation of business opportunities and is dominated by supply organizations, it is no surprise to see organizations springing up that transport illicit commodities across national jurisdictions.[7]

17. The globalization of trade and of consumer demand for leisure products made it natural for criminal organizations to move from national activity to transnational operations. Of course, not all those involved in organized crime operate at this level, but there are inextricable connections between the local and the global, and the transnational dimension of crime has taken on unprecedented importance. Furthermore, it is likely that organized crime groups that are still predominantly national in scope will increasingly operate across borders in the future, in order to exploit market opportunities in other States.

18. The provision of illicit goods and services has never been completely inhibited by national boundaries. Indeed, "smuggling has often been called the world's second oldest profession".[8] The scale of smuggling activity, however, has grown well beyond efforts to avoid tariffs or taxes on licit products, and to a growing extent involves trafficking in illicit products.

19. Criminals and criminal organizations have increasingly engaged in cross-border activity, both in response to market opportunities and as a means of reducing their vulnerability to law enforcement efforts. Uneven criminal justice and law enforcement capabilities mean that the degree of risk varies considerably according to the location of the organization. Consequently, criminal organizations tend to have a home base in areas where the risks are low and engage in providing illicit goods and services to markets where the profits are very high.

20. By acting transnationally, criminal organizations are able to obtain access to lucrative markets and to find points of vulnerability that they can infiltrate, while still operating from areas where they are relatively immune to law-enforcement efforts. They also channel the proceeds from illicit activities through the global financial system, often using tax havens and relatively unregulated banking centres as major points of access.

21. These activities have become sufficiently important to suggest the emergence of what have been termed "transnational criminal organizations", that is, organized crime groups that have a home base in one State but operate in one or more host States where there are favourable market opportunities.[9] These organizations have become major players in global economic activity and are the key players in illicit industries, such as drug production and trafficking, that are global in scope and yield profits higher than the gross national products of some developing and developed States.

22. They bear many similarities to transnational corporations and, like transnational corporations, they vary considerably in structure, strength, size, geographical range and the scope or diversity of their operations. Some are global in reach and organized hierarchically; others are more limited in the scope of their operations and more fluid in structure. Their common feature is that they engage in unregulated forms of enterprise, involving illicit products and services, the illicit smuggling of licit products, the theft of licit products, or all three kinds of activity.

23. In trying to understand these organizations, a useful starting point is to view them as a blend of the corporate and the criminal and, for the purposes of analysis and, in certain respects only, as a mirror of transnational corporations. Like transnational corporations, their major concern is the pursuit of profit, and in this pursuit they engage in far-flung economic activities that readily cross national borders. Moreover, both transnational criminal organizations and transnational corporations share a desire to maximize their freedom of action and to minimize the effects of both national and international control over their activities. While this is a useful starting point, however, transnational criminal organizations differ from transnational corporations in several important respects.

24. First of all, transnational corporations may use economic incentives and sometimes act ruthlessly in order to achieve their economic objectives but, when licit corporations break the law, it is the exception rather than the rule. With transnational criminal organizations, in contrast, law-breaking is the norm and a key element of their very identity. Although these organizations may invest in licit enterprise or engage in licit business, these enterprises are usually subordinate to their illicit activities. Transnational crime can thus be described as a "form of economic commerce by illegal means, involving the threat and use of physical force, extortion, corruption, blackmail and other methods, and the use of illicit goods and services".[10]

25. There are crucial differences in the means whereby the two kinds of organization obtain market access. In the search for global markets, their antipathy towards national boundaries and their quest for autonomy, transnational criminal organizations are at variance in degree, but not in kind, from transnational corporations. The means they use, however, vary considerably. While licit corporations negotiate with Governments for permission to conduct operations on sovereign territory, the criminal organizations obtain access through circumvention rather than consent, and systematically evade efforts to detect, monitor, intercept and disrupt their activities.[11]

26. Another important element is the use of corruption and violence. While corporate use of violence or bribery is not completely unknown, it is not the norm, whereas criminal organizations use both violence and corruption as a matter of course. Violence is used to intimidate or eliminate business rivals or even government and law enforcement authorities that attempt to inhibit the activities of transnational criminal organizations. Violence is also a means of maintaining internal order and discipline.*

27. Corruption is used to provide a congenial environment in which the criminal organizations can carry on their activities with impunity. It can range from the bribery of low-level law enforcement officials to ignore particular criminal activities to the offering of inducements to high-ranking government officials to acquiesce in the group's activities and to provide information about countermeasures by the Government. Corruption can be used to neutralize both individuals and institutions and can have deleterious effects on political culture and on the social fabric.

28. Criminal organizations not only supply illicit products but also steal licit products. The widespread use of theft is another factor differentiating transnational criminal organizations and licit transnational corporations. The notion that transnational criminal organizations are concerned with minimizing risk and maximizing profit is very much in accord with licit business. The difference is that the risks the criminal organizations are prepared to take are much greater than those contemplated by corporations in licit business. Moreover, the risk-reduction activities are themselves aimed at the institutions of government.

II. EXPLAINING THE RISE OF TRANSNATIONAL CRIMINAL ORGANIZATIONS

A. Transnational opportunities

29. The nature of crime reflects many features of society. With the vast increase in the number of economic and social transactions across national borders and the increasing porousness of the Nation State, it is natural and inevitable that organized criminal activity should also move from the national to the transnational level. Alongside the new opportunities that have opened up for legitimate entrepreneurs, new opportunities for illicit enterprise have also manifested themselves.

30. Opportunities at the global level stem from long-term secular trends in global politics and economics that have encouraged the development of a myriad of transnational organizations. The evolution of the "global village" has fundamentally changed the context in which both legitimate and illegitimate businesses operate and has opened up unprecedented opportunities for transnational crime. Increased interdependence among nations, the ease of international travel and communications, the permeability of national boundaries and the globalization of financial networks have created global

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*This theme is developed in John M. Martin and Anne T. Romano, Multinational Crime (London, Sage Publications, 1992).

markets for both licit and illicit commodities. The scale of these activities can be understood in large part as a reflection of opportunities presented by changes both in international relations and within States. Transnational criminal organizations are both contributors to and beneficiaries of several major changes in global politics and economics. The following data may shed some light on the speed with which the world market has evolved:

(a) The speed and ease of international transport has greatly increased the ability of people and products to cross national boundaries. "Between 1960 and 1974 ..., passenger volume on international commercial flights rose from 26 billion passenger miles to 152 billion."[12] By 1992 the figure had increased to between 600 and 700 billion passenger miles,[13]

(b) The growth of international trade, facilitated by the free trade system of the postwar period, has caused a vast increase in the import and export of goods and services. In 1970 global imports totalled 330,940 million United States dollars. By 1980 the figure had reached $2,047,303 million and by 1990 had increased to $3,533,383 million.[14] Moreover, as the use of containerized shipments has grown, so has their use to smuggle large volumes of illicit products, including drugs, across borders, a development that illustrates the ability of transnational criminal organizations to exploit licit trade in a parasitical fashion.

31. The growth of global trade has been accompanied by the evolution of global financial networks. The reliance on a few hard currencies as a global mechanism of exchange has facilitated the growth of transnational economic transactions. The scale and complexity of these transactions, however, have made it enormously difficult for Governments to regulate and control monetary movements across national boundaries. This is not surprising: money is "the most fungible of all commodities. It can be transmitted instantaneously ... It can change its identity easily and can be traced only with great effort".[15]

32. The world has also witnessed the rise of cosmopolitan world cities, which act as the key nodes in the global economic system, as the repositories of capital and wealth, and also as major facilitators of cross-border transactions. Such cities are the successors to the port cities that, in the past, were often the major incubators for the development of criminal organizations.[16] As such they provide bases from which these organizations can operate. Entrepreneurial centres that have played a crucial role in transshipment of licit goods also tend to be used as transshipment centres for illicit goods. The uncontrolled development of industrial and post-industrial societies, which have become "mass consumption" societies, has had its schizophrenic side-effect. Surplus wealth has created new opportunities for recreation and leisure and a demand for illicit goods and services.

33. The communication revolution has created a degree of global transparency that has highlighted inequalities among societies and encouraged the desire to emulate the patterns of consumption of economically advanced societies. A global market place has emerged in which consumers "have access to information about goods and services from around the world" and entrepreneurs have recognized the opportunities for global marketing.[17] The best example of a global illicit market can be seen in the emergence of illegal drugs as a global commodity of immense significance. Although the drug of choice differs from region to region, illicit drugs have become a truly global product. Some estimates have suggested that the global trade in drugs is larger than the global trade in oil and place the figure as high as $500 billion a year.[18]

34. The end of the cold war and the triumph of capitalism and liberal democracy have facilitated the introduction of entrepreneurial capitalism into Eastern Europe and the former Soviet Union. At the same time, these States have yet to develop anything more than the most rudimentary mechanisms for regulating the kinds of economic enterprises that are emerging. The turbulence that has arisen, the

decline of existing structures of authority and legitimacy, the resurgence of ethnic and regional conflicts and the rise of subnational groups have provided new opportunities and pressures for criminal activity, in some cases as a source of funding for weapons for ethnic conflict.

35. Another worrying feature of global integration in a shrinking world is the increase in migration and the growth of ethnic networks, which have been of enormous value to the operations of criminal organizations. While it is clear that most immigrants are law-abiding citizens, migration has greatly facilitated the creation of network structures for the supply of illicit goods. Ethnic enclaves provide a basis for recruitment by transnational criminal organizations that have a national base and can evoke ethnic loyalties, especially when the immigrant groups have not been fully integrated into their adopted society. Even casual participation or marginal involvement can yield greater rewards than those to be obtained through the licit economy. Moreover, ethnic networks are very difficult to penetrate. The barriers of language and culture provide built-in defence mechanisms that are strengthened by ties of kinship and inherent suspicion of authority.

36. All these developments present new opportunities for transnational crime. The scale of global economic activity, for example, makes it possible to hide illicit transactions, products and movements within licit transactions, products and movements. At the same time, the growth of a global financial system allows criminal organizations to move the profits from their illegal transactions with speed, ease and relative impunity. Money-laundering is simply one sub-set of the much larger problem facing States in their efforts to restore control over a global financial network that operates according to the logic of the market and is not readily amenable to national preferences or the efforts of central or even coordinated management. As one commentator has noted, "the world in which the new economy functions is more akin to an electronic commons than it is to an economy. And like any commons - a grazing commons in an ancient English town, for example - this new electronic space is owned not by governments but by the people who use it".[19] The sheer volume of money in the financial system and the ease with which it can be moved electronically have also made it much easier to obscure, move, and "clean" the profits from illicit activities. The system itself has outrun the development of rules and regulations. There are also so many points of access to the global financial system that making access in some areas more difficult for money earned through illicit activities does not eliminate laundering, it simply encourages its relocation.

37. Against this background, it is not surprising that transnational criminal organizations display considerable entrepreneurial flair, rivalling transnational corporations in the scale and sophistication of their efforts to create and exploit global markets.

B. National sanctuaries*

38. At the national level, criminal organizations with the capacity for cross-border activities have flourished where the State has been weak or acquiescent, and where its apparatus has been corrupt or collusive. For example, Governments that are lacking in legitimacy and authority or are not fully in control of the territory under their jurisdiction provide congenial environments for the emergence of transnational criminal organizations. For example, two factors have been identified as crucial to the establishment of a corporate headquarters and processing centre for the cocaine industry: first, the attack on government legitimacy by "narco-traficantes" and the consequent weakening of the State, and secondly, the existence of geographical features that have allowed many regions of a particular country such a high degree of autonomy from the Government that the drug "barons" can freely dominate those

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*In the present context, the term refers to an area that is not the target of significant law enforcement attention, in some cases because of the absence of law enforcement capabilities.

regions.[20] From this standpoint, it can be argued that the failure of the international community to realize the danger has allowed the situation to flourish, with the country having come to be dominated by the illicit drug industry.

39. Perhaps the most striking recent example of the way in which transnational criminal organizations can thrive in an environment of political, social and economic upheaval can be seen in the States of the former Soviet Union. Russian criminal organizations are not new, but the demise of the Communist Party, the disintegration of the Soviet Union, and the collapse of the criminal justice system clearly produced conditions that were highly conducive to the consolidation of existing criminal organizations and the emergence of new ones. Groups that had been limited in the scope and impact of their operations by the intrusiveness of the Communist Party have become much more active and successful. The implication of the Russian example, which reflects the situation elsewhere, is that organized crime thrives amidst political and economic turbulence. Weak government, though, is only one of the several forms of government that allow transnational criminal organizations to operate with impunity. There are also acquiescent Governments that are unwilling, rather than unable, to take counteraction, either because they fear the disruptive consequences of such action or because they regard the net effect of transnational criminal activity as beneficial to society. This type of permissive environment makes an ideal home base for transnational criminal organizations.

40. Corruption among government officials is another factor; they derive so much direct benefit from criminal activity that they are unwilling to do anything to reduce or contain it. There is also what might be termed the "collusive" factor, when those in power are themselves deeply involved in some form of criminal activity. Perhaps the best example of this occurred in the early 1980s in a Latin-American country where the linkages between drug traffickers and high government officials were so strong that it was impossible to disentangle the military government from the narco-traffickers; so much so that the country came to be described as a "narcocracy". The difference between collusive and corrupt practices lies in the degree of direct involvement in the organized crime industry.

41. Some areas, of course, might be characterized by both weakness and corruption. In these circumstances, the organs of State, the criminal and the commercial spheres tend to become increasingly enmeshed and entangled. The greater the symbiosis, the more the transnational criminal organization is able to function without hindrance or impediment. Establishing what is, in effect, an autonomous base, the transnational criminal organization can then engage in its illicit business on a regional or global scale, knowing that, although some of its activities may be disrupted by foreign law enforcement efforts, the core of the organization is unlikely to be seriously threatened.

42. Symbiotic relationships could also be established with Governments outside the home State of the organization. Transnational criminal organizations have a substantial capacity to corrupt Governments and infiltrate commercial institutions. There is also a highly dynamic quality to these organizations. As the Secretary-General noted in his report on the control and proceeds of crime, submitted to the Commission on Crime Prevention and Criminal Justice at its second session, "Consonant with the modern corporate structure of organized and transnational criminal groups, profits are systematically 'reinvested' to ensure smooth operations and finance the expansion which often has become the long-term strategic objective." (See E/CN.15/1993/4, para. 14.) Against this background, some of the major transnational criminal organizations are analysed below.

III. MAJOR TRANSNATIONAL CRIMINAL ORGANIZATIONS

43. There is no single model of transnational criminal organization. The groups vary in shape and size and in skills and specializations. They operate in different geographical domains and different product

markets and use a variety of tactics and mechanisms for circumventing restrictions and avoiding law enforcement. Transnational criminal organizations range from highly structured organizations to more fluid and dynamic networks. In business terms, they extend from corporations to local franchises. For example, the drug trafficking cartel based in the city of Cali, in Colombia, is perhaps the nearest to a formal corporate structure based on a clear hierarchy, functional specialization and forward integration of activities. It is also a fairly large organization - albeit involving many separate and distinct sub-groups - with extensive global operations. At the wholesale and retail levels, it is divided into small cells that operate locally, keep meticulous financial records, and return the proceeds of their drug sales to their corporate executives. At the other end of the spectrum are the small, highly fluid Nigerian organizations, which act as couriers and engage in only the trafficking stages of the drug industry.

44. Another way in which transnational criminal organizations differ is in the scope of their activities. Nigerian organizations, for example, engage in an extensive range of criminal activities, including credit card fraud and business swindle. Russian criminal organizations have an even wider repertoire of operations and seem indifferent to whether the product they traffic in is drugs, arms, industrial metals or nuclear material. Their activities also include bank fraud and embezzlement, extortion, prostitution, car theft and kidnapping. Asian criminal organizations, such as the Yakuza and the Chinese Triads, also operate across the whole spectrum of illegal activities. The Colombian cartels, in contrast, are in the drug industry and everything else is subordinate to that. They engage in corruption, violence and money-laundering only to promote their business.

45. Although transnational criminal organizations are the quintessential "sovereign free" actors, they do make alliances with other criminal organizations, with terrorist and insurgency groups, and sometimes even with Governments.* The nature, purpose, scope and robustness of these alliances are not well understood. Nevertheless, they reflect the fact that the organizations have become sophisticated in their operations and behave as rational actors to enhance their business opportunities and to minimize their vulnerability.** Moreover, the organizations are often characterized by a very good business sense, by an efficient and effective management system based on generous financial inducements and severe penalties, by effective intelligence and counter-intelligence capabilities, and by considerable resilience.

A. The Italian Mafia

46. In considering transnational criminal organizations, the Sicilian and Italian Mafias stand out as among the most complex and intriguing of these organizations. The Mafia has been variously defined as "a type of criminal association; a historical reality; a cultural code, albeit one that is exploited; or a power structure which interacts with the legal system in all the multiplicity of its forms".[21] As used in Italy, it generally refers to the Sicilian Mafia or "Cosa Nostra", the Neapolitan Camorra, predominantly formed by local organizations, the Calabrian 'Ndrangheta, with a family-based structure that deals in contraband tobacco, drugs and kidnapping, and the Sacra Corona Unita in Apulia, established by Cosa Nostra to exploit the seaboard of the region for drug trafficking. The most important of these, however, is clearly the Cosa Nostra. Like the other Italian groups, the Cosa Nostra is based upon the law of silence and close associations that are partly functional, partly personal and familial, and partly based on fear. If the Sicilian Mafia retains many of its traditions, however, it has

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*The term "sovereign free" is used by James Rosenau, in Turbulence in World Politics (Princeton, New Jersey, Princeton University Press, 1990) to discuss a wide variety of non-State actors.

**The most recent case where such alliances have been substantiated involves cooperation between the Mafia and Russian organized crime groups in the United States. In an understanding that included a clear division of labour and responsibility, the two organizations were engaged in large-scale fraud that involved smuggling of oil and tax evasion. (See Corriere della Sera, 24 August 1994.)

also proved to be both dynamic and adaptive. Stemming from the imposition of its authority on citizens when the State was weak, the Sicilian Mafia has successfully moved from rural to industrial and business cultures, and from a local and national force to a transnational one.[22] Although many of its activities are still regional and its power remains based in southern Italy, where it has sought to nullify competition in legal business by illegal action, the Cosa Nostra has increasingly become a transnational enterprise. This development has been facilitated by migration flows. Sicilian migration to the United States facilitated a Sicilian share of the American heroin market. The same thing occurred in Germany, where it was recently disclosed that "units of Sicilian migrants, closely associated with their families of origin, operated investment activities and formed echelons of criminal labour-force employed in criminal actions in Sicily".[23]

47. This is not to deny that the Sicilian Mafia has suffered some setbacks. It has not been able to establish a monopoly in the drug market, although it tried to obtain the exclusive rights for imports to Italy and possibly Europe as a whole. In addition, the Mafia assault on the Italian judiciary and police forces between 1983 and 1993 ultimately proved counterproductive. The interlinking with political power and the establishment of a collusive relationship with some sectors of the State has also come under increasing attack. While it has been hurt in recent years by the commitment and effectiveness of a young generation of judges and prosecutors, the upsurge of popular sentiment and the related changes in the political situation in Italy, the Sicilian Mafia still remains an important criminal force. Although it is not the global octopus that it is sometimes portrayed as, the Sicilian Mafia, with increasing links to other criminal organizations, remains a major challenge to law enforcement.*

B. Russian organized crime[24]

48. Although there has been a major increase in organized crime in the Russian Federation and the other parts of the former Soviet Union, Russian criminal organizations are not an entirely new phenomenon. The "centrally planned economies created scarcities that amounted to nationwide shortages of virtually any item consumers wanted. Organized crime groups ... exploited these shortages in the past and continue to do so".[25] The underground economy in the Soviet Union and the pervasive corruption provided the potential for organized crime, but were kept under control by the dominance of the Communist Party. The reforms initiated by Mr. Gorbachev, however, destroyed the mechanisms of social, political and economic control. The collapse of the Communist Party, and with it the Soviet State, also removed the system of criminal justice. The new environment was a very permissive one for organized crime, with few laws against criminal associations and continued inefficiencies in the economic system. The transition to the market economy was also made without a clear regulatory framework. As has been noted, the Russian Federation started to develop a free market without the rules and regulations that are necessary to ensure its integrity, efficiency and effectiveness.[26] At the same time, the end of the cold war made it easier for the groups in the former Soviet Union to engage in transnational criminal activity. The result has been a consolidation of existing criminal groups, the rise of new organizations, and the diversification of criminal activity. In 1993, it was estimated that there were 4,352 organized crime groups in the Federation; by April 1994 the figure had risen to 5,700. Moreover, 200 of these groups were regarded as very sophisticated and were believed to be operating outside the Federation in 29 other countries.[27]

49. One analysis has identified several major kinds of criminal enterprise. As well as the old style party officials, there are also many ethnic-based groups. These include the Georgian Mafia, which

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*The "global octopus" argument is developed in Claire Sterling, The Mafia (London, Hamish Hamilton, 1990) and more recently in the same author's Thieves' World (New York, Simon and Schuster, 1994).

controlled much of the black market under the Communist system and has subsequently extended the range of its activities, the Chechens and Azerbaijani groups, and others who help to account for a major upsurge in trafficking activities not only in drugs but also in metals, weapons, nuclear materials and even body parts. Moreover, these organizations clearly operate with little regard for national boundaries. In addition to the nuclear materials smuggled from the former Soviet Union, other metals such as magnesium have also been stolen and sold in Western Europe. The scale of this activity is perhaps best illustrated by the fact that in October 1993 an attempt was made to smuggle 300 tonnes of magnesium ingots from the Russian Federation to Western Europe. Although this attempt was foiled, it reveals the audacity of groups that have been able to operate with relative impunity. Moreover, these groups have infiltrated the Russian banking system and have been unscrupulous in their use of intimidation and violence against bankers and businessmen who were not cooperative. As a result, banking, in particular, has become a high-risk profession in the Russian Federation.

50. Although several commentators have identified a group of particularly adept, renowned and high-status criminals, known as "thieves in law", the organizations seem to be very fluid. While "there have been instances of a powerful leadership of isolated groups, there is no discernible overall controlling figure or body".[27] Indeed, there has been a proliferation of crime bosses in the Commonwealth of Independent States, around 500 having been identified and over half of whom are of Russian, Georgian or Ukrainian descent. The typical structure is for each boss to control four criminal cells through a brigadier and two spies. The cells tend to be specialized units, which focus respectively on drugs, prostitution, political contacts and enforcement.

51. From criminal investigation it results that the Russian Mafia has also spread its activities to other countries, including the United States. Among the most important groups are the Odessa Mafia, based at Brighton Beach, New Jersey, but also active in California, the Chechens, who tend to specialize in contract murder and extortion, and the Malina Organizatsia, a multi-ethnic group at Brighton Beach, which maintains extensive international ties and is active in a variety of areas, for example, drug trafficking, credit card fraud, extortion and tax fraud. Although these groups clearly pose a new kind of threat for American law enforcement, the threat is far less in the United States than in the Russian Federation itself, where, as has been pointed out, "domination by the Communist party may be replaced by the controls of organized crime. As in other societies, organized crime will limit free elections and freedom of the press and media. Labour markets, once controlled by state planning and submissive trade unions, will instead be subject to the intimidation of organized crime, which is already a major employer. State ownership of the economy will be exchanged for control of the economy by organized crime groups which have a monopoly on existing capital".[28] To the extent that Russia remains a sanctuary from which these organizations can operate with relative impunity, it is likely that the transnational nature of their activities will become even more pronounced.

C. Chinese Triads

52. Although some Chinese Triads operate from the Chinese mainland, they are based predominantly in the territory of Hong Kong, which is the home base for the Sun Yee On, the 14K, and the Wo Group, and Taiwan Province of China, where the United Bamboo has its own base. One estimate suggests that there are as many as 160,000 Triad members in Hong Kong, belonging to around 50 different organizations.[29] There has been considerable debate among both practitioners and analysts about the extent to which Triads are formally organized. Perhaps the best way of putting it is that they are like an alumni association. Membership in the Triad permits a degree of trust and allows members of the Triad to work together and give assistance even when they are not personally known to each other. Although there is a formal structure, therefore, with a "dragon head" and specialists such as enforcers and administrators, many of their criminal activities tend to take place among members who operate on

an ad hoc basis and establish fluid network systems that may change from one criminal operation to the next.

53. Triads are involved in a whole range of criminal activities, including extortion, drug trafficking, prostitution and gambling. They also have extensive overseas networks, which allow them to engage in transnational criminal activity with great ease. Indeed, some observers have concluded that the Triad societies have very close links with both the tongs, or chambers of commerce, and the youth gangs that exist in many Chinese communities throughout North America. Not surprisingly, therefore, the Triads are the major importers of heroin from South-East Asia into the United States.

54. The Triads have also been active in Western Europe, especially Amsterdam and London, and a report in the first half of 1994 suggested that the Chinese Triads have been engaged in a variety of activities in Spain, where the smuggling of illegal aliens had become evident from the appearance of large numbers of Chinese nationals in Galicia.[30] As elsewhere, these aliens are often exploited by the criminals as slave labour, are pressed into serving as drug couriers or prostitutes, or are forced to engage in other forms of crime. It has been suggested that this activity is controlled primarily by the Sun Yee On Triad. Heroin trafficking, where sales of "China White" increased as law enforcement authorities cracked down on Turkish trafficking organizations, is largely controlled by the 14K, whereas prostitution and pornography and trafficking in children is controlled predominantly by the Wo On Lok. In addition, there is considerable evidence of loan-sharking and extortion, carried out largely by Dai Hoon, which is in effect an illegal bank that lends money at very high rates, makes loans for gambling purposes and provides money for illegal immigrants.

55. The comprehensive nature of these criminal activities, the difficulties faced by law enforcement agencies in attempting to infiltrate closely knit ethnic groups, and the imminent reversion of the territory of Hong Kong to Chinese rule in 1997, resulting in a possible exodus of Triad members, suggest that the Triad problem is likely to increase rather than decrease.

D. The Japanese Yakuza

56. The Japanese Yakuza or, as it has also become known, the Boryokudan, the violent ones, has been much more visible in its home base than most other criminal organizations. There are several major organizations within the Yakuza, of which the most important is the Yamaguchi-gumi, which has an estimated membership of over 26,000 individuals affiliated with 944 smaller gangs. The second largest gang is the Inagawa-kai, with over 8,600 members, while the third largest organization, the Sumiyoshi-kai, has over 7,000 members.[31] The Yakuza has been characterized by considerable internecine warfare among its various branches, but this has not prevented it from infiltrating legitimate business and extending corruption into the political system.

57. Perhaps less ambitious than the Chinese in the transnational scope of their activities, the Japanese Yakuza has nevertheless been involved in significant criminal activities across national borders, including the trafficking of methamphetamine into Hawaii and California, as well as the smuggling of guns from the United States into Japan. Moreover, the Yakuza also has a significant presence throughout much of South-East Asia, where Japanese criminals have become a major force in organizing the "sexual slavery" of women. The Philippines, for example, has been used by the Yakuza as a base for the production and smuggling of amphetamines and hand guns, as well as an additional market for hand guns.[32] In addition, the Yakuza has moved into gambling, fraud and money-laundering. In Hawaii, Yakuza members have been deeply involved in the sex and drug trades and have also invested heavily in real estate.

E. Colombian cartels

58. The Colombian cartels are in many ways unique. Unlike most other transnational criminal organizations, which tend to engage in a range of illegal activities, the cartels are, first and lastly, in the drug business. Indeed, the cartels - and this is particularly true of the Cali cartel that has now become the predominant group in the cocaine industry - have amalgamated corporate and criminal cultures more than any other group. They have developed an industry that is based on sound management principles, such as specialization and division of labour.

59. During the 1980s, Carlos Ledher and other members of the Medellín cartel led the way in applying industrial style transport to the drug trafficking business, increasing the amounts that were transported to the United States by air. The Cali cartel has taken this a stage further and has applied successful business management techniques and meticulous accounting procedures to its activities. Although the Medellín cartel is still active in drug trafficking - and there have been allegations that the Ochoas are still running their drug business from prison - the killing of Pablo Escobar by government forces both highlighted and accentuated the shift in power from the Medellín to the Cali cartel.

60. Rather than confronting the Government and law enforcement, however, the Cali cartel has adopted a strategy of infiltration. The leading members of the cartel present themselves as legitimate businessmen and have increasingly invested in licit businesses. Moreover, their co-option of the local power structure, together with their local patronage, has provided them with a very protective environment in Cali. By eschewing a frontal assault on the State, Cali has also attempted in the past to establish a modus vivendi with a Government that was prepared to tolerate narco-trafficking but that responded vigorously to narco-violence.

61. In its activities in both Colombia and the United States, the cartel has a very specialized cell structure, based around functions such as logistics, marketing etc., and possessing information solely on a need to know basis. This modular approach has the effect of limiting the damage that can be done by law enforcement; even if one group is infiltrated and dismantled, the ability of law enforcement agencies to exploit this and further penetrate the cartel is limited. Although these protective measures set it apart from legitimate business, in other respects the Cali cartel acts like any other transnational corporation. In recent years, for example, it has sought to diversify its markets, with particular emphasis on Western Europe and the newly emerging markets in Eastern Europe and the former Soviet Union, as well as its products, through the production of Colombian heroin that is more compact and cheaper to transport and has higher profit margins than cocaine. In addition, although the Cali cartel continues to use aircraft to traffic drugs into the United States, it has also made increasing use of commercial cargo. At the same time there has been growing sophistication in concealment methods. The incorporation of cocaine base or cocaine into cardboard, glass, plastic and fibreglass reveals a degree of innovation and sophistication that is intended to circumvent law enforcement and interdiction activities.

F. Nigerian criminal organizations[33]

62. The rise of Nigerian organized crime is relatively recent and is often traced to the collapse of oil prices in the early 1980s and the dislocation that this caused to an economy that relied on oil for 95 per cent of its export earnings by the late 1970s. The result was that a lot of bright, articulate Nigerians - many of them college-educated and many of them living in other countries - were effectively deprived of their source of income. In some cases they turned to crime, with spectacularly successful results.

63. Indeed, Nigerians have developed large-scale trafficking activities and have been identified as second only to the Chinese in the import of heroin into the United States. Once again, this was

facilitated by the fact that they were able to operate from a relatively safe home base, characterized by lack of legislation and law enforcement capacity, as well as a certain political instability, indications of corruption and few resources to devote to the fight against organized crime. They have proved to be very adaptable in terms of finding alternative trafficking routes, concealment techniques, courier profiles and choice of product, and have progressed from simply being couriers for other transnational criminal organizations to becoming major players in their own right. Although there is little evidence of a Nigerian cartel, a loose network of drug barons has been identified and it is clear that even the activities of couriers are carefully orchestrated, the couriers themselves being trained in methods of avoiding detection.

64. Nigerian criminal activities have not, however, been limited to drug trafficking. Nigerian organizations have also engaged in large-scale fraud and extortions, including credit card fraud and fraud vis-à-vis commercial banks and government assistance programmes. They have proved adept at obtaining the documentation for false identities that have facilitated cheque kiting, student loan fraud, social services fraud, insurance fraud, and electronic fund transfer fraud. They have not been involved in major schemes, exhibiting a preference for a large number of smaller-scale activities, generally adopting a low profile. The members tend to live modestly and ship money back to Nigeria, where there is an absence of legislation directed against money-laundering. Their success has nevertheless bred imitation, and individuals and groups from Ghana, Benin and Sierra Leone have also become involved in various transnational crime operations including drug trafficking.

65. Although the law enforcement authorities have had some success in dealing with their activities, the Nigerian organizations have several natural defence mechanisms. The use of a variety of different dialects, for example, reduces the usefulness of wire-tapping and other electronic surveillance devices. In essence, they have a non-technological way of circumventing high-technology law enforcement. The fact that the organizations tend to be based on family or tribal ties also makes them very difficult to infiltrate. Although they may pose less of a threat in terms of corruption and violence than some of the other groups, that threat is certainly not insignificant. Moreover, the long-term ramifications and implications for development of the existence and expansion of transnationally operating organized criminal groups in the region deserve particular attention.

G. Other criminal organizations

66. This survey is not, of course, comprehensive. Turkish drug trafficking organizations that supply heroin to Western Europe from south-west Asia using the famous Balkan Route, and the variations on it that have been made necessary by the conflict in the former Yugoslavia, are not discussed in detail. Nor are Jamaican Posses, the indigenous American Mafia, Dominican criminal organizations or a variety of other groups. Their activities nevertheless highlight some of the strengths of transnational criminal organizations, showing that they are highly adaptable, very fluid, able to take advantage of weaknesses in particular nations or regions, and difficult to penetrate. As such, they pose a real challenge to the rule of law.

IV. ACTIVITIES OF TRANSNATIONAL CRIMINAL ORGANIZATIONS

67. Transnational criminal organizations engage in a variety of illicit activities, and it would be impossible to draw up a comprehensive list of all their activities. Some of them are nonetheless particularly relevant and deserve major attention.

A. The drug trafficking industry

68. In addition to being a major source of income for most transnational criminal organizations, illicit drug activities can best be understood as an industry, with distinct stages of production and distribution at the wholesale and retail levels. It is also a very lucrative industry, largely because there is limited competition among the entities concerned and little threat from substitute products and because both the supplier of the raw materials and the consumers of the final product have very limited power.* The money from the drug trafficking industry goes largely to the trafficking organizations, while the peasants who actually grow coca and opium earn a very modest return, albeit one that is generally better than the profits from growing other commodities. The emergence of the drug trafficking industry as a multi-billion-dollar-a-year industry has given a great boost to the development of transnational criminal organizations and has also led to the emergence of money-laundering as a high-profile activity. There are also increasing signs of a growing linkage with other kinds of trafficking, especially in arms. Furthermore, drug money has been a major source of the government corruption that helps to provide secure home bases for transnational criminal organizations.

B. Smuggling of illegal migrants

69. One of the most serious developments in transnational crime has been the increase in the trafficking in people. There are several dimensions to this, the first of which concerns the illegal migrants issue. According to one informed estimate, criminal organizations are now attempting to smuggle as many as one million people a year from poor to wealthier countries. Not only does this once again threaten a basic ingredient of national sovereignty, it also places the immigrants themselves in grave danger.

70. Moreover, the would-be immigrants are subjected to considerable hardship, deprivation and indignity. They are highly vulnerable and women in particular are often forced into sexual slavery. Even those who arrive at their destination often owe money to the smugglers and are forced to engage in criminal activities to pay off the debt. Although this problem has received a great deal of attention in Western countries, largely in relation to Chinese immigrants, it is not only a problem for the United States or Europe alone, and it is not limited to Chinese.

71. According to some estimates, immigrants from China form only 20 per cent of those in a pipeline that encompasses India, Iraq, the Islamic Republic of Iran, Pakistan, Romania, Sri Lanka and the Sudan. Those in transit include 60,000 Chinese in Moscow, 80,000 or more Asians, Africans and people from the Middle East in Romania, and significant numbers in staging areas such as Guatemala, the Netherlands and Spain. The scale of the problem is also revealed by the fact that in 1993 there were 1.2 million attempts to enter the United States illegally. Moreover, the smuggling organizations offer substantial bribes to officials and are ingenious in the development of new smuggling routes through Mexico and the Caribbean. One estimate has suggested that the trade yields an annual profit somewhere in the region of $3.5 billion.[34]

72. For the destinations and sometimes the transit States, however, the trade imposes significant and unexpected costs in terms of medical care, food, housing and transportation for the illegal migrants. The problem has reached such levels that it is in danger of provoking a major backlash against legal immigrants and legitimate refugees.

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*For a fuller analysis of the industry, see Phil Williams, "International drug trafficking: an industry analysis", in Journal of Low Intensity Conflict and Law Enforcement, forthcoming issue.

C. Arms trafficking

73. The difference between the licit and the illicit supply of armaments is not always clear. As with chemical capabilities and the capabilities required to develop nuclear weapons, it often has more to do with who the end user is than with the product itself. In some cases, the end user may be a rogue State that the international community is trying to isolate; in others, it may be an ethnic group trying to circumvent an arms embargo. Whoever the end user may be, however, black market arms deals have three characteristics: they are a covert activity, a large part of the cost is related to the surreptitious nature of the transaction, and the return flow of money is laundered.[35]

74. In addition to their other ramifications and the sizeable profits they generate, these transactions can have a significant effect on local and regional conflicts and on the capacity of terrorist groups to pursue their goals and threaten peace and security. The drug trafficking and arms trafficking businesses also seem to be increasingly interwoven with cases of ethnic involvement in the drug trade for the purpose of purchasing weapons. As one report has noted:

> "There is abundant evidence that organized crime is involved in the illegal arms trade and subversive activities that tamper with the rule of law in different parts of the world. The weight of the evidence indicates that it contributes to the political turmoil and upheaval occurring throughout the world. Drugs for weapons deals have become common in the world of organized crime, and many ethnic and political conflicts are aggravated by this unholy alliance."[36]

The importance of these activities lies also in the potential for major disruption and the consequent threat to security and stability at the national and international levels. There is no telling whether organized criminal groups will resort to stirring and abetting political turmoil as a defence against successful efforts of law enforcement agencies.

D. Trafficking in nuclear material

75. Trafficking in nuclear material is, above all, a major problem in relation to the former Soviet Union and one that, not surprisingly, has provoked considerable alarm. The possibility that nuclear weapons grade material might be passed to terrorist groups or pariah States attempting to acquire some kind of strategic nuclear capability is a matter of considerable concern to the global community. This issue has placed Germany in the front line; the fullest analysis of the problem has been made by the Bundeskriminalamt and part of it has been made public in a testimony by Hans-Ludwig Zachert, President of the German Federal Police. According to this testimony, there were in 1992 59 fraudulent offers of radioactive material, 99 cases of illicit trade and 18 seizures of actual material. In 1993, there were 241 cases altogether, with 118 fraudulent offers, 123 cases of illicit trade and 21 seizures (3 of which actually involved material from Germany itself and not from the former Soviet Union). In 1993, 545 suspects were identified, 47 per cent of whom were non-German, predominantly Czech, Polish and Russian nationals.[37]

76. The threat appears to be a serious one. This was underlined very starkly by recent developments. According to reports in July 1994 a few weeks earlier, German police searching for counterfeiters had actually found one fifth of an ounce of weapons-grade plutonium, the first case actually to involve fissile material.[38] This reported seizure, as well as that of the neutron emitter, californium 252 in 1993, suggests that there is an increasing diversity in the types of material being seized. On 10 August 1994, the German police seized 350 grams of weapons-grade nuclear material (mixed-oxide fuel for reactors, containing plutonium enriched to 87 per cent), and arrested one Columbian and two Spaniards. Another incident, involving a considerably smaller quantity of nuclear material, but of the same quality, occurred

two days later.[39] The presence of individuals of different nationalities adds an alarming element to the issue, leading the authorities to speculate on the involvement of organized crime groups from various countries and the possibility of links and cooperation arrangements between them. On 29 August 1994, the Hungarian authorities seized a quantity of nuclear material in a hotel room at Budapest, an incident suggesting that the illicit trade in nuclear material is not confined to certain countries only. The German and Russian authorities have reacted to the incidence of smuggling of nuclear material, concluding a bilateral cooperation agreement on 25 August 1994.

77. It is clear that this trade has considerable potential for extortion, as well as for significant environmental damage, if only as a result of improper handling of the materials. Although there are questions about whether there is actually an illicit end-user market, at least in Germany, there is a danger that the organization responsible may change tack if purchasers cannot be found and the material is in hand; extortion can then appear particularly attractive. The fact that nuclear materials are often procured from government-controlled installations in the Russian Federation suggests the involvement of criminal organizations seeking profit. If they cannot obtain these profits in one way, then it is only a small step to attempting to obtain them through some kind of nuclear blackmail. As nuclear disarmament continues, the availability of material is likely to increase rather than decrease.

E. Transnational criminal organizations and terrorism

78. In considering the activities of transnational criminal organizations, both the use of terror tactics and the links with terrorist and guerrilla organizations are recurring themes. If criminal organizations often resort to terror and develop alliances of convenience with terrorists, however, it is clear that the two kinds of organization have very different objectives. Transnational criminal organizations engage in terror simply to provide a more congenial environment for their criminal enterprises. They are generally willing to work within the existing system as long as this is malleable. In so far as they have political objectives, these are aimed against specific law enforcement policies rather than representing part of an effort to overthrow the existing power structure (much of which they may have already corrupted). Terrorist groups, in contrast, pursue political objectives often aimed at the overthrow of the status quo at either the State level or the international level. In so far as terrorist groups engage in criminal activity such as drug or arms trafficking, this is usually designed to provide resources to enable them to pursue more effectively their political agendas. If the means and ends of criminal and terrorist organizations are very different, however, there may be a growing, and perhaps irreversible, trend towards convergence.

79. One element in this trend is the direct use of terror tactics by transnational criminal organizations. Some transnational criminal organizations, such as the Italian Mafia and the Colombian cartels, have used terrorist attacks against the State and its representatives in an attempt to disrupt investigations, deter the introduction or continuation of vigorous government policies, eliminate effective law enforcement officials, coerce judges into more lenient sentencing policies, and create an environment more conducive to criminal activity. A second element is the willingness of transnational criminal organizations to develop direct links with groups that engage in the widespread use of violence for political purposes. In some cases this may be unavoidable. The narco-traffickers in Peru, for example, have had little choice than to deal with the Sendero Luminoso (Shining Path). Indeed, the Shining Path guerrillas operating in the upper Huallaga Valley have provided protection for the coca growers and narco-traffickers in return for a levy on the drugs. For the traffickers, Shining Path involvement has made decisive government action much more difficult. For Shining Path, the levy has provided funding for its campaign to overthrow the Government. In effect, the linkage is "a business relationship in which each side uses the other to achieve its respective goals".[40] Similar synergies exist elsewhere. In Colombia, for example, the cartels and revolutionary movements such as the FARC and M-19 have developed complex cooperative linkages in spite of a basic ideological antipathy.

80. Another factor leading towards convergence between international terrorism and transnational criminal activity is the changed political context. With the end of the cold war, international terrorism has lost much of the sponsorship it enjoyed in the past. State-sponsored terrorism still exists, of course, but has become far less important. As a report by the Federal Bureau of Investigation noted, "State sponsors of terrorism are less anxious to be connected to terrorist acts, and more countries are attempting to avoid fitting the criteria for inclusion on the State sponsors of terrorism list."[41] Yet this should not lead to complacency. As terrorist organizations find that government financial support is drying up, they seem likely to turn to criminal organizations and activities as an alternative source of funds. In these circumstances, deals involving weapons for illicit products or services are likely to become more prevalent. Indeed, terrorist groups will almost certainly be increasingly willing to engage in criminal activities to fund political terrorism.

81. Another source of convergence is technological opportunity. The theft of nuclear material and its potential use for large-scale extortion and blackmail suggests that the distinction between crimes of extortion and political terrorism will become increasingly blurred. The theft of nuclear material by transnational criminal organizations and its purchase by terrorist organizations is one possibility. Another is that the groups that steal plutonium will themselves use it to blackmail Governments. In short, the motives of terrorist groups and criminal organizations may differ, but the strategies they adopt to achieve their objectives could become indistinguishable if not inseparable. Moreover, the linkages between them will make both traditional law enforcement efforts and counter-terrorist strategies more difficult. The prospect is a formidable one, to which Governments need to address their attention.

F. Trafficking in women and children

82. Prostitution has long been a major element in the activities of criminal organizations at the national level, and it is no surprise that it also has major international dimensions. Both the Triads and the Yakuza are particularly active in this arena and have held women as slaves in the tourist sex industry in the Philippines, South Korea and Thailand. This kind of trafficking treats women as "commodities that have a market value ... sex work is not there by accident, sex work plays a great part in the world economy where women and children are seen as sources of pleasure and spare parts for the developed world".[42]

83. A variant on this, but one that tends to be more tangential to criminal organizations, involves parents selling their children as brides, often to wealthy men from other countries. Adoption, too, is something that needs more careful scrutiny and regulation, as, according to several reports, international adoption has become a million dollar business, in which babies from South and Central America fetch up to $20,000. Not surprisingly, there have been about 30 cases a year in Guatemala of false mothers offering their children for adoption. Concern about trafficking in babies has created a climate of suspicion and hysteria in some countries and has led to attacks on foreigners wrongly suspected of kidnapping.

G. Trafficking in body parts

84. One reason for the climate of suspicion about kidnapping has been concern that the abducted children would be killed for their body parts. Although there is little evidence that kidnapping for this purpose has taken place, it is clear that there are lucrative black markets in body parts, especially in Argentina and the Russian Federation. In Argentina, for example, there have been examples of serious transplant abuses, often involving the removal of corneas of patients who were declared brain dead after fabricated brain scans.[43]

85. The problem is perhaps even greater in the Russian Federation, especially as there are as many as 4,000 unclaimed bodies in Moscow morgues. One investigative report found one company that had extracted 700 major organs, kidneys, hearts and lungs, over 1,400 liver sections, 18,000 thymus organs, 2,000 eyes and over 3,000 pairs of testicles. Moreover, one Moscow forensic detective saw these activities as being firmly under the control of organized crime, which he suggested had "elaborate criminal structures for kidnapping children and adults, using their organs for transplants and for medical experiments". He even suggested that "organ transplantation is the most profitable business in Russia and it will grow".[44]

86. There have also been cases of organs being exported using false documents and of confirmed trafficking in Argentina, Brazil, Honduras, Mexico and Peru, largely with German, Italian and Swiss buyers. It is clear that this is an era where the potential for corruption in medical communities is enormous and will remain so until rules governing the purchase or sale of organs are systematically developed and implemented.

H. Theft and smuggling of vehicles

87. Another significant problem is the theft and smuggling of vehicles. The prevailing pattern here is the opposite of that in the drug trade, the cars being stolen from the advanced industrialized States and supplied to the élites of developing countries or countries in transition. This has proved to be a big problem in the territory of Hong Kong, where luxury cars are stolen and rapidly transported to China on extremely fast power boats. It has also become an extensive problem in Europe, where the number of motor vehicle thefts almost tripled between 1989 and 1993. The proportion of stolen vehicles that are permanently missing - at present more than 40 per cent - is an indicator of the amount moved to other countries. It is also a serious problem in many African countries.

88. Since the political opening, Eastern Europe has become a main area for the movement of stolen vehicles, with Poland as the central point of the illegal transport route. From there, the vehicles are taken to the Baltic republics, or the Ukraine, to the Russian Federation, the Caucasus region or Kazakhstan.[37] Bulgarian and Russian criminal groups have become a major force in this particular area of transnational crime. The same problem also exists in the United States, where "the low apprehension, prosecution and conviction rate of auto thieves make this crime a booming industry, with high profits and low risks". The results are evident in the receiving countries: for example, "in one Caribbean country, a survey conducted by various law enforcement agencies determined that approximately one out of every five vehicles on the docks awaiting clearance showed clear signs that it had been stolen and shipped from the United States. For vehicles worth over $15,000, the rate increased to nearly four out of five".[45] While less serious than some of the other activities of organized crime, car theft is an additional source of revenue and can help these groups to consolidate their position in certain countries.

I. Money-laundering

89. One of the major activities of transnational criminal organizations is profit taking. Although a considerable portion of this comes from drug trafficking, other forms of transnational crime may account for a significantly high percentage of all the illegal proceeds that enter the global financial system. The problem for these groups, however, is that the money derived from illicit proceeds has somehow to be made legitimate.

90. The laundering process designed to achieve this involves three major stages. The first stage is the placement of cash proceeds into the financial system through banks or other financial institutions. In countries where there are reporting requirements for large cash transactions, this tends to be done through a larger number of small transactions, the so-called "smurfing". An alternative approach is

physically to smuggle large amounts of cash out of the country and deposit it where the reporting requirements are less stringent. The second stage in money-laundering involves what is generally termed "layering", which separates the funds from their source and is designed to disguise the origin of the funds and obscure the audit trail. The third stage is integration, which involves "the introduction of criminally derived wealth into the legitimate economy without arousing suspicion and with some apparent legitimacy for its source".[46] This third stage can consist, for example, in the purchase of real estate or can simply involve the complicity of banks in countries that lack money-laundering legislation.

J. Other activities

91. Inevitably, in an overview such as this, not all the activities undertaken by transnational criminal organizations can be included. For example, the illegal animal trade, the theft and trafficking of cultural objects or art pieces, and smuggling in precious metals have all been omitted, as have activities such as protection racketeering, the kidnapping of businessmen or the theft of intellectual property through large-scale software piracy. Other areas of criminal activity are old-fashioned piracy on the high seas, for instance in the Malacca Straits, counterfeiting, and activities such as cattle rustling across national borders in Africa. This is not to denigrate the importance of these activities, all of which deserve much more attention. The intent, however, has been to provide a flavour of the range of major operations that fall under the rubric of transnational crime and that are undertaken by transnational criminal organizations.

V. CHARACTERISTICS AND MAJOR TRENDS

92. An analysis of the major criminal organizations and their activities makes it possible to define the characteristic patterns and trends of transnational organized crime and thus to identify the key features of these groups that make them such a formidable problem for law enforcement authorities. The present analysis is also intended to point the way to effective preventive and control policies by national Governments and to emphasize the importance of enhanced international cooperation in law enforcement and criminal justice activities.

A. The resilience of transnational criminal organizations

93. Transnational criminal organizations are diverse in structure, outlook and membership, but all of them operate across national borders with great ease and provide formidable challenges for law enforcement at both the national and international levels. One reason for this is their emphasis on loose network structures rather than excessively formal and structured hierarchies. In this respect, they have been ahead of transnational corporations: illegality has compelled them to operate in covert fashion with fluid networks and functional cooperation rather than fixed structures. Indeed, transnational criminal organizations have developed several mechanisms that help them to defend themselves against law enforcement efforts.

94. The flexibility of network organizations is the first and most important characteristic. Because such organizations are highly fluid and have a loose structure, they are able to respond rapidly to law enforcement challenges. The pyramid organizational structure is another relevant feature. The pyramid characterizes most transnational criminal organizations because it insulates their leaders, who are not easily connected with specific criminal activities and are unlikely to be caught engaging in criminal operations. In addition to this, the capacity for replacement of the top leadership and the strict rules for the recruitment of new members are essential to the maintenance of an efficient structure. The capacity for relocation plays an important role as well. Success in combating the operations of transnational

criminal organizations can be countered relatively easily by moving operations to countries where the criminal justice and law enforcement systems are much weaker.

95. Other essential mechanisms exploited by criminal organizations are the infiltration of legitimate business, which often provides a veneer of respectability to the criminal organizations, and the use of patronage to provide excellent counter-intelligence capabilities that make it enormously difficult to mount surprise operations. Last but not least, in view of the dangers it poses to society, is the use of corruption to provide a congenial environment, in which the groups can conduct their business with relatively low risk of interference from law enforcement agencies.

96. The upshot of all this is that transnational criminal organizations are extremely difficult to dismantle or destroy. This difficulty was graphically described by a British customs officer, who compared a smuggling syndicate to spaghetti: "Every piece seems to touch every other, but you are never sure where it all leads. Once in a while we arrest someone we are sure is important ... but once we get him, he becomes no more than a tiny cog. Someone else important pops up in his place."[47]

B. Growing sophistication

97. Transnational criminal organizations clearly have a significant capacity for learning and adaptation. Some of them also appear to have a sense of strategic vision and engage in sound business practices, such as diversification of activities and the exploitation of new markets. They are increasingly characterized by sophistication and flexibility, resilient and efficient organizational structures, effective management techniques and the use of specialist advisers and in some cases they have even initiated research and development programmes. This has been particularly evident in the area of money-laundering, but also in the way in which ever more ingenious methods of smuggling are being introduced. Indeed, the way in which the organizations use high technology, adopting what appears to be an intensive research and development programme, is illustrative of the innovative approach they are taking to their business and adds to the difficulties faced by law enforcement.

C. Emphasis on strategic alliances

98. Like transnational corporations, transnational criminal organizations are entering more and more frequently into strategic alliances. In the case of licit corporations, such alliances secure local knowledge and experience for marketing and distribution. Transnational criminal organizations pursue alliances for similar reasons. Strategic alliances permit them to cooperate with, rather than compete against, indigenous entrenched criminal organizations, enhance their capacity to circumvent law enforcement, facilitate risk sharing, make it possible to use existing distribution channels, and enable criminal organizations to exploit differential profit margins in different markets.

99. Operation Green Ice, which culminated in 1992 in around 200 arrests in several countries, revealed the links between the Cali cartel and the Sicilian Mafia. The Mafia was helping the Colombians to break into the New York heroin market in return for franchise arrangements for cocaine in Europe. Similar linkages seem to have developed between the Italian groups and some of the criminal organizations in the Russian Federation, between Pakistani and relatively small Danish drug trafficking organizations, in the Netherlands and Turkey, and even Italian and Japanese criminal organizations. The growth of strategic alliances is likely to continue in the future as the various groups see both formal and informal linkages as providing not only economic advantages but also additional means of circumventing law enforcement.

100. In concluding, the characteristics of transnational criminal organizations, as well as current trends and developments, reveal the extent of the threat they pose to national Governments, to the legitimate

economy, to licit businesses and to legal and normative framework at both the national and international levels.

VI. THE TRANSNATIONAL CRIME THREAT

101. The threat from transnational crime and transnational criminal organizations is insidious, pervasive and multifaceted. As has recently been noted:

> "Organized crime poses a direct threat to national and international security and stability, and constitutes a frontal attack on political and legislative authority, and challenging the very authority of the State. It disrupts and compromises social and economic institutions, causing a loss of faith in democratic processes. It undermines development and diverts its gains. It victimizes entire populations, targeting and capitalizing on human vulnerability. It co-opts, entraps and even enslaves segments of society, especially women and children, in its diverse and interrelated illegal undertakings, particularly in prostitution."[48]

Although that was an excellent summary of the threat posed by transnational criminal organizations, it may be useful to identify more carefully the various levels at which this threat manifests itself.

A. The threat to sovereignty

102. Transnational crime, by its very nature, involves the violation of national borders. While it is clear that, in an age of high technology, global trade and financial systems, national borders have become more porous than ever, States still try to regulate what goes through their borders. This is a fundamental attribute of sovereignty. It is also something that is negated by transnational criminal organizations. Indeed, these organizations directly challenge the characteristics of State sovereignty and security that have long been taken for granted. They highlight the permeability of national borders and, in effect, penetrate territories that are nominally under the control of States. States retain sovereignty in a formal sense, but if they are unable to control the trafficking of arms, people and drugs into their territory, then sovereignty loses much of its real - as opposed to its symbolic - significance.

103. The concept of sovereignty retains usefulness as a basis for the international society of States, but no longer reflects real control over the territorial dimension of the State. Although the main purpose of transnational crime is profit, the inevitable by-product, therefore, is a generally implicit - but sometimes explicit - challenge to State authority and sovereignty. The threat is insidious rather than direct. It is not a threat to the military strength of the State, but it is a challenge to the prerogatives that are an integral part of statehood.

B. The threat to societies

104. Many transnational criminal organizations engage in activities that pose a threat to the fabric of societies. Drug abuse is an often cited example. Although it has to be dealt with in terms of the reduction of both supply and demand, the product, by its very nature, creates its own demand, as has become evident in the process whereby producer and transit countries have developed substantial user populations of their own. Not only does this result in lost productivity, with significant implications for economic competitiveness, but it also entails substantial costs for health care and law enforcement. Moreover, organized crime has developed sophisticated marketing techniques that target new users. The establishment and expansion of organized crime groups, however, irrespective of the activities they engage in, poses the most serious threat to society. Organized crime targets basic values, both legal and political, that constitute the cohesive element of societies. It does so by challenging the foundation of

these values and by developing opposite "values" of its own. The projection of organized crime as the provider of employment and prosperity and its replacement of the central authority as the ruler, legislator and law enforcer can have deleterious effects on any society, regardless of its degree of advancement or its cultural foundation. By corrupting or intimidating legitimate authority, organized crime undermines fundamental institutions, rendering them inoperative not only because of their lack of effectiveness, but in the long term by discrediting the values that form their basis.

105. Organized crime generally involves two kinds of violence: violence used by the organizations involved to protect their territory and profits; and violence against people and property resorted to by individuals in order to pay for illicit products or services. There is, in addition and with reference to drug trafficking, the violence perpetrated by individuals under the influence of psychotropic substances. It has been estimated, for example, that the average heroin user commits 200 crimes a year to feed his habit.[49] The overall result, therefore, is that transnational crime feeds into violence in local communities, providing a vivid example of the global-local nexus in relation to transnational crime.

C. The threat to individuals

106. At the individual level, security can be understood as the provision of a relatively safe environment, in which individuals and entities can go about their daily business without fear of violence or intimidation. They are able to pursue their right to life and property without being put at risk by the violent actions of others. In this context, transnational criminal organizations have had what might be called a profound geosocial impact. If individual security is inversely related to the level of violence within society - the greater the violence, whether through civil strife, factionalism or criminal activity, the less security is enjoyed by citizens - then transnational crime poses a serious security threat. As well as the violence that is a consequence of drug trafficking, violence is often perpetrated on individuals by criminal organizations. Some organizations, for example, traffic in people, especially women and children, treating them essentially as products and fundamentally depriving them of their human rights.

D. The threat to national stability and State control

107. Transnational criminal organizations affect not only the host or recipient State but also their home State. In some cases, they provide a rival authority structure, or what sometimes appears as "a State within the State" based on a parallel or black market economy of very significant proportions. Their readiness to use force against the State and its agents challenges the State monopoly on the legitimate use of violence and imposes a level of harm that probably exceeds the damage resulting from the activities of most terrorist groups.

108. This has certainly been the case in Colombia and Italy. In both nations, home-based transnational criminal organizations have resisted efforts at State control and have resorted to extensive violence and terrorism. In Colombia, the Medellín cartel posed a fundamental challenge to the Colombian State and although, with the death of Pablo Escobar, the Colombian State has clearly emerged intact, the toll has been enormous. The Colombian judiciary has been decimated, the level of violence, at times, has reached proportions that are characteristic of civil wars, and Colombian political and economic life has been dominated by the threats posed by the narco-traffickers. The cartels have also been a threat to democratic values, killing journalists who were critical of their activities and corrupting the institutions of the State. Much the same kind of threat has been evident in Italy, where the Mafia has not only challenged efforts at control by launching similar attacks on members of the judiciary, but has proved to be a far more formidable enemy than such terrorist organizations as the Red Brigades. One of the reasons for this is that the Mafia has created an illicit but effective authority structure over its own territory and population.

109. Having gained enormously in power and wealth through its involvement in the heroin trade from South-East Asia and the cocaine trade from Latin America, the Sicilian Mafia, in particular, has used both corruption and violence. It has historically had very close links with ruling political parties and has infiltrated government not only at the local and regional levels but also at the national level. Moreover, throughout the 1980s the Mafia regularly killed magistrates, policemen, politicians, civil servants and trade unionists.[50] The assassinations of Paolo Borsellino and Giovanni Falcone represented a challenge to the Italian judicial system similar to the Medellín cartel's challenge to the Colombian judicial system. Although the challenge backfired, the events in Italy revealed the vulnerability of even advanced industrialized States to the threat posed by powerful transnational criminal organizations.

110. The challenge to State authority may be inescapable, as "each crime network attempts to build a coercive monopoly and to implement that system of control through at least two other criminal activities, corruption of public and private officials, and violent terrorism in order to enforce its discipline".[51] In other words, transnational criminal organizations, by their very nature, undermine civil society, add a degree of turbulence to domestic politics, and challenge the normal functioning of government and law. While they are particularly effective where government is already weak or unstable, criminal organizations add further layers of instability. Furthermore, as criminal organizations "realize the extent of their influence and power in the face of weak government or half-hearted efforts to control them, it is not too fantastic a leap to see these groups going beyond efforts merely to neutralize government enforcement but to become the Government".[52]

E. The threat to democratic values and public institutions

111. Criminal organizations do not always confront the State directly. An alternative approach is to infiltrate and corrupt State authorities in an effort to neutralize efforts at law enforcement. The aim is generally to achieve a position in which the Government is acquiescent and takes no serious initiative to deal with the organization or to suppress its activities.

112. One way of achieving this is to enter into a tacit agreement to limit violence so long as the Government does not interfere with the group's economic enterprises. Another is to engage in corruption so that those who have the power or authority to initiate action against the criminal organization do not do so because of the benefits they obtain from the organization. The worst situation is one in which government officials and the criminal organization have a symbiotic or collusive relationship. In these circumstances, the Government is little more than a protective front for criminal activity, and, at the same time, a hostage of the criminal organization. This is an extreme case, but, as suggested above, can occur under certain conditions. It is consequently not a contingency that can be ignored.

F. The threat to national economies

113. Unlike terrorist groups, the objectives of transnational criminal organizations are predominantly economic and not political. Moreover, it is has been argued that even illicit enterprises add to wealth in national economies, enhance levels of employment and provide a safety net against recession. According to the same agreement, transnational criminal organizations also offer opportunities for entrepreneurial and management skills that would otherwise be wasted. The profits from these activities are enormous and at least some of them are ploughed back into the local or national economy, usually with some multiplier effects. These positive results are only one part of the picture, however. The profits from transnational crime may also make economic management a much more difficult task, as they can encourage inflationary pressures, a distorted sectoral development, and spending on luxury products by a few when the greatest need is for a wider distribution of resources within the society.

114. Furthermore, in so far as they reduce the tax base, "black" economies tend to have a harmful effect on the legitimate economy and can undermine development efforts and efforts to ensure economic equilibrium.

G. The threat to financial institutions

115. Transnational criminal organizations also pose a serious threat to the integrity of financial and commercial institutions at both the national and international levels. Infiltration of licit institutions, intimidation of their owners, distortion of their purposes, so that they no longer serve either the public interest or that of their shareholders, and reduction of management can lead to the misuse of funds.

116. Such a process is also central to the efforts of transnational criminal organizations to develop symbiotic relationships with both licit business and political élites. To the extent that this process succeeds, it is much more difficult for Governments and law enforcement authorities to deal with these organizations. The analogy of a virus gradually breaking down the immune system of the body politic is a striking and appropriate one.

117. The pollution of financial institutions is a serious activity that could undermine public confidence and have a serious long-term effect on global confidence in the economy. At the international level, the amount of money that is being laundered further erodes the capacity of Governments to manage, control and regulate the global financial system. At the same time there is also a danger of a backlash. In fact, the response to the challenge by transnational criminal organizations may be to take measures that could inhibit normal and legitimate financial activity. On the contrary, effective policies should resist the temptation of overregulation, thus avoiding measures that undermine growth and development.

H. The threat to democratization and privatization

118. With the end of the cold war, many States have embarked on a difficult transition to the creation of democratic institutions and market economies. This dual transition has provided new opportunities for criminal activity, especially in areas where criminal justice systems are weak. Although there was initially some scepticism as to whether States in transition would be targeted by organized crime, partly because of the primitive stage of their economies, this assessment overlooked the fact "that organized criminal groups operate in many ways like transnational enterprises and invest in the potential of economies in transition. This potential is measured by such factors as natural resources and other criteria affecting likely economic growth. Furthermore, the risks involved in these investments are significantly lower, as successful efforts on the part of law enforcement and judicial authorities are less likely".[53]

119. Indeed, one of the problems is that, in cases where totalitarian systems were formerly in place, there is a considerable reluctance to do anything that appears to involve the reimposition of controls over the society. Moreover, efforts by friendly Governments to bolster up criminal justice systems and enhance law enforcement capabilities may be seen as an unwarranted intrusion into the country's domestic affairs and a violation of sovereignty.

120. Such tendencies could obstruct efforts at international cooperation. At the other extreme, however, is the possibility that there will be a significant backlash against the crime and corruption that have accompanied democratization and that the populace will opt for a hard-line Government that promises to restore order. In these circumstances, the potential for a reversal of the trend towards democratization is very considerable. The backlash effect of transnational crime, therefore, is not something that can be ignored. Indeed, there is an inherent danger that some Governments may use the threat from

transnational criminal organizations to establish restrictions on personal freedom and other fundamental elements of democracy.

I. The threat to development

121. The threat posed by transnational criminal organizations to developing States has both a systemic and a personal impact. At the systemic level, organized crime undermines development efforts, in that scarce resources have to be diverted from other projects in response to criminal activities. In addition, the corruption that often accompanies transnational crime tends to weaken "the commitment of the citizenry to the sacrifices demanded by development policies", and to impair "the rational decision-making process required by public administration".[54] Corruption can occur at several levels, from the policeman on patrol to the highest level of government. Whatever the level, however, the result is invariably that it provides benefits to the few at the expense of the many. At the individual level, it is often the weakest and poorest members of society who are most at risk from criminal organizations. Indeed, for peoples who barely manage to subsist, transnational crime can have a devastating impact. Cattle theft and the transport of cattle across borders in parts of Africa, for example, have profound implications for those who depend on them for their very subsistence.

J. The threat to global regimes and codes of conduct

122. Attempts to regulate the global political system and establish codes of conduct, principles of restraint and responsibility and norms of behaviour are increasingly being challenged by transnational crime and the criminal organizations that engage in it. Regimes to inhibit the proliferation of nuclear, chemical and biological weapons, as well as the technologies used for ballistic missiles, are highly dependent upon cooperation among suppliers and the ability to isolate rogue States that seek to obtain such capabilities.

123. Alliances of convenience, particularly between rogue States or pariah States on the one hand and transnational criminal organizations on the other, could do much to undermine the control regime. Once a trafficking network is in place and is functioning effectively, product diversification is easy. Organizations that traffic in drugs can just as easily traffic in technology and components for weapons of mass destruction. Whether the recipients are terrorist organizations or pariah States, the threat is obvious. If non-proliferation and other regulatory regimes are to function effectively in the future, therefore, it will be necessary to curb the activities of transnational criminal organizations.

VII. CONCLUSION

124. Transnational crime and transnational criminal organizations pose serious and still not fully acknowledged threats to the dignity and safety of individuals to the sovereignty, security and stability of States, to the proper functioning of financial and commercial institutions at the national and global levels and to the order and stability of the international system. While these threats are very real ones in their home States and in the host countries in which they operate, failure to deal with the transnational criminal organizations from a global perspective only offers further opportunities for their growth and development. As was underlined by the Commission on Crime Prevention and Criminal Justice at its third session, in paragraph 5 of the annex to its draft resolution I,[55] adopted by the Economic and Social Council as resolution 1994/12, "... organized crime is, due to its nature, a pervasive phenomenon. Therefore, the international community should find ways to cooperate, not only in controlling current illicit behaviour but also in preventing the expansion of the phenomenon in new areas where defence mechanisms against the spread of such criminal activities are weak".

125. Organized criminal groups have already achieved enormous successes. As has been emphasized: "The resources at its disposal, the generation and maintenance of enormous wealth and power, the continuity and resilience of its structures and activities, and its continuing recruitment and replenishment of operatives, as well as the unscrupulous ways in which 'business' is conducted, enable organized crime to defeat criminal justice systems personnel."[56]

126. In these circumstances, it is essential that Governments initiate more stringent measures against transnational criminal organizations and engage in more comprehensive and effective cooperation. In particular, on the basis of the analysis made in the previous chapters, and drawing on the elements highlighted in the discussion document on the World Ministerial Conference on Organized Transnational Crime (see Economic and Social Council resolution 1994/12, annex), the following issues appear to deserve special attention for appropriate action:

(a) Identification and regular monitoring, through a global assessment, of the various and ever-changing problems posed by transnational organized crime;

(b) A focus on specific types of criminality that are considered particularly dangerous or alarming;

(c) A better understanding of the problems arising from differences that exist or emerge among various countries in the perception and evaluation of transnational organized crime;

(d) A study of the problems related to the different degrees of development of laws and regulations in individual countries;

(e) An examination of the problems arising from the expansion or reallocation of transnational criminal organizations to other countries where the defence mechanism is weak;

(f) A study of conditions that are conducive to the rise and growth of transnational criminal organizations, namely: social, economic and political factors; structural characteristics of organized crime; and organizational shortcomings and lack of resources in the control agencies;

(g) The gradual development of a common perception of the phenomenon;

(h) A global strategy for more effective inter-State cooperation.

127. While it is hoped that the Conference will take action on the above proposals, it should be pointed out that there may be no guarantee of success: the dialectic between law enforcement and organized crime is a continuing one of measures and countermeasures. Unless Governments pursue the issue much more vigorously than has hitherto been the case, with enough priority, determination and vision, as well as making the corresponding allocation of adequate resources, the danger persists that transnational criminal organizations will become ever more powerful.

Notes

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